GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:738
ANSWERED ON:04.03.2005
LOAN TO FARMERS
Chinta Mohan Dr. ;Suman Shri Ramji Lal

Will the Minister of FINANCE be pleased to state:

(a) whether loan requirement of the rural people is mainly fulfilled by cooperative banks in the country;

(b) if SO the average amount of loan sanctioned to the farmers and business annually by these banks;

(c) whether there has been progressive appreciation in loan disbursement by the cooperative banks during the preceding three years;

(d) if so, the details thereof;

(e) whether the different cooperatives banks are charging different rate of interest on loan; and

(f) if so, the reasons therefor ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a) Loans by Co-operative Banks form a significant part of institutional credit disbursal in rural areas

(b): The data generating system of NABARD does not generate the information in the manner asked for.

(c) and (d): Loan disbursed by the Co-operative Credit Institutions viz. SCBs, DCCBs, PACS, PCARDBs, SCARDBs during the year 2000-01, 2001-02 and 2002-03 are Rs. 88681 crore Rs. 95369 crore and Rs. 108421 crore respectively which show a progressive appreciation.

(e) and (f): The rate of interest charged on the loan assistance by banks varies due to the deregulated interest regime. NABARD, on its part, has impressed upon the co-operative banks to review their structure of interest rates. Some banks have responded by reducing their lending rates and some banks could not do so on account of the high cost of funds and high level of NPAs.